



United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural  
Service

Farm Service  
Agency

1400 Independence  
Ave, SW  
Stop 0553  
Washington, DC  
20250-0553

JAN 23 2006

Dear Bioenergy Program Participant:

The purpose of this letter is to inform you of funding factors that will affect the Bioenergy Program (Program) for Fiscal Year (FY) 2006.

The Office of Management and Budget has apportioned the Program \$60 million for FY 2006. The apportionment also contains a restriction that the funds can only be used during FY 2006. This same restriction has applied to the last three FY Program apportionments.

Because of the restriction, \$34.5 million of the \$60 million apportionment was used for fourth quarter FY 2005 payments. This leaves \$25.5 million available for the first three quarters of FY 2006, or \$8.5 million per quarter. The Program payment limitation remains at five percent of the Program's available annual funding. So, the FY 2006 Program payment limitation will be \$1.275 million (5 percent times \$25.5 million available funding). As you may be aware, the Program is scheduled to expire on September 30, 2006. Accordingly, **no** fourth quarter FY 2006 Program payments will be issued by the Commodity Credit Corporation (CCC).

Barring a change by the Congress, CCC plans to exercise its option in Part A of your Bioenergy Program Agreement, Form CCC-850 (Agreement). Part A states, in part, "...CCC may also terminate this Agreement without prior notice when required to do so by programmatic requirements, expiration of authorizing legislation, or exhaustion of funds..." All funds will be exhausted at the end of the third quarter. Therefore, CCC plans to terminate the Agreement effective June 30, 2006. A notice will be sent to you nearer to June 30, 2006, confirming the termination.

Please direct any questions you may have to Jim Goff at 202-720-5396 or [James.Goff@wdc.usda.gov](mailto:James.Goff@wdc.usda.gov).

Sincerely,

Bert Farrish  
Deputy Administrator for Commodity Operations

